



Health Services
LOS ANGELES COUNTY

**Los Angeles County
Board of Supervisors**

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First District

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Second District

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Interim Director

Robert G. Splawn, M.D.
Interim Chief Medical Officer

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

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www.dhs.lacounty.gov

*To improve health
through leadership,
service and education*



www.dhs.lacounty.gov

September 22, 2009

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**FISCAL YEAR 2008-09 YEAR-END BUDGET ADJUSTMENT
(ALL DISTRICTS)
(4 VOTES)**

SUBJECT

Request approval of Fiscal Year 2008-09 Year-End Budget Adjustments for the Department of Health Services.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve the attached Fiscal Year (FY) 2008-09 Year-End Budget Adjustment (BA) (Attachment I) for the Department of Health Services (DHS) to adjust the designation balance, as of June 30, 2009, to \$39.0 million.
2. Approve the attached FY 2008-09 BA (Attachment II) to reallocate and adjust the appropriation and revenue related to the Personal Assistance Services Council-Service Employees International Union (PASC-SEIU), In-Home Supportive Services (IHSS) Health Care Plan.
3. Approve the attached FY 2008-09 BA (Attachment III) to realign the available funding for the Measure B Special Revenue Fund.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Board's approval of these BA's (Attachments I through III) for FY 2008-09 will:

1. Establish a DHS designation fund balance, as of June 30, 2009, of \$39.0 million, resulting from a \$39.0 million FY 2008-09 operating surplus (Attachment IV). Also, reallocate certain appropriations and revenues within DHS to align them with the Department's FY 2008-09 financial experience.

2. Align DHS appropriations and revenues related to the PASC-SEIU IHSS Health Care Plan with FY 2008-09 financial experience, and decrease the transfer of funding to DPSS by \$1.4 million resulting from lower than expected operating activity.
3. Align appropriations and revenues within the Measure B Special Revenue Fund in accordance with FY 2008-09 final experience.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

These actions support Goal 1, Operational Effectiveness, of the County's strategic plan.

FISCAL IMPACT/FINANCING

The recommended actions adjust the various Departmental budgets to reflect DHS' actual financial experience for FY 2008-09. It also adjusts the designation balance to \$39.0 million, as of June 30, 2009. (See Attachment IV for the components of the \$39.0 million surplus.)

Per Medi-Cal Redesign, any hospital that ends the fiscal year with a positive fund balance must retain the funds for their future use. Of the \$39.0 million being placed in designation, \$26.2 million is associated with Rancho Los Amigos National Rehabilitation Center (Rancho). This amount is being placed in a separate designation account for Rancho and will be used to fund Rancho's FY 2009-10 operations.

On December 2, 2003, your Board approved Auditor-Controller recommended guidelines for monitoring the LAC+USC Medical Center Accumulative Capital Outlay (ACO) Fund established in FY 1998-99 for the purpose of purchasing new equipment for the LAC+USC Medical Center Replacement Project. In accordance with those guidelines, we are reporting that \$9.6 million resides in the Provisional Financing Uses of the ACO fund as of June 30, 2009. This includes \$1.1 million in interest that was earned on the balance in FY 2008-09. Of the \$9.6 million, \$6.7 million represents total encumbrances, and \$2.9 million represents available fund balance for future use. In FY 2008-09, \$13.9 million was expended, \$15.0 million was transferred to LAC+USC Medical Center's operating budget to partially fund the Medical School Affiliation Agreement with University of Southern California, and \$0.6 million was encumbered in the ACO fund.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Not applicable.

CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

This Year-End BA has no impact on current services.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John F. Schunhoff".

John F. Schunhoff, Ph.D.
Interim Director

JFS:aw

Attachments (4)

c: Chief Executive Officer
Acting County Counsel
Executive Officer, Board of Supervisors
Auditor Controller

Year End Budget Adjustment BL

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BOARD OF
SUPERVISORS
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76R 352M 11/83

COUNTY OF LOS ANGELES

request for appropriation adjustment

department of Health ServicesDept's.
No. 110

08/20 2009

Auditor-Controller.

the following appropriation adjustment is deemed necessary by this department. will you please report as to accounting and available balances and forward to the Chief Executive Officer for his recommendation or action.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2008-09

4 - VOTES

SOURCES

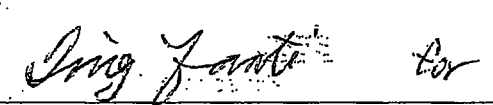
See Attachment I-B for details

USES

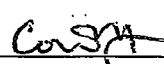
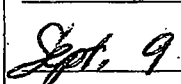

See Attachment I-B for details

JUSTIFICATION

This budget adjustment is necessary to increase the DHS Enterprise Fund designation to \$39.0 millions and realign certain appropriations and revenues within DHS in accordance with the FY 2008-09 final experience

MG:tf
08/20/2009

 Mela Guerrero - DHS-Controller's Division

Chief Executive Officer's Report

Referred to the Chief Executive Officer for --		action	Approved as Requested	as Revised
by 		Recommendation	 20 09	
auditor-controller	by	Aug 21 20 09	approved (as revised): board of supervisors	20
no. 918			by	deputy county clerk

**DEPARTMENT OF HEALTH SERVICES
YEAR-END BUDGET ADJUSTMENT
FISCAL YEAR 2002-03**

**ATTACHMENT 1-B
Page 1 of 3**

4-VOTE

SOURCES:

LAC+USC Healthcare Network (LAC+USC Medical Center)
 MN4-HC-60010-96-9910
 Operating Transfers In - Measure B \$ 1,252,000
 MN4-HC-60010-92-943H
 Managed Care Rate Supplement 56,604,000
Total LAC+USC Healthcare Network \$ 57,756,000

Coastal Network (HUCLA Medical Center)
 MN1-HH-60020-1000
 Salaries & Employee Benefits \$ 5,882,000
 MN1-HH-60020-5500
 Other Charges 7,070,000
 MN1-HH-60020-92-9433
 Medi-Cal Inpatient 3,863,000
 MN1-HH-60020-92-943H
 Managed Care Rate Supplement 49,604,000
 MN1-HH-60020-92-9631
 OGD - Mental Health 4,782,000
 MN1-HH-60020-96-9910
 Operating Transfers In - Measure B 88,000
Total Coastal Network \$ 71,289,000

Southwest Network (MLK MACC)
 MN5-HK-60030-1000
 Salaries & Employee Benefits \$ 12,369,000
 MN5-HK-60030-2000
 Services and Supplies 12,562,000
 MN5-HK-60030-6030
 Fixed Assets 1,147,000
 MN5-HK-60030-92-9433
 Medi-Cal Inpatient 982,000
 MN5-HK-60030-92-943H
 Managed Care Rate Supplement 20,233,000
 MN5-HK-60030-92-9631
 OGD - Mental Health 1,087,000
Total Southwest Network \$ 48,380,000

Rancho Los Amigos National Rehabilitation Center
 MN7-HR-60040-1000
 Salaries & Employee Benefits \$ 11,914,000
 MN7-HR-60040-2000
 Services and Supplies 4,522,000
 MN7-HR-60040-5500
 Other Charges 3,338,000
 MN7-HR-60040-92-9433
 Medi-Cal Inpatient 16,203,000
Total Rancho Los Amigos \$ 35,977,000

Valley Care Network (San Fernando & Antelope Valley)
 MN3-HO-60050-96-9911
 Operating Transfer In 8,801,000
 MN3-HO-60050-92-943H
 Managed Care Rate Supplement 62,210,000

USES:


LAC+USC Healthcare Network (LAC+USC Medical Center)
 MN4-HC-60010-96-9911
 Operating Transfer In \$ 8,088,000
 MN4-HC-60010-96-9912
 Operating Subsidy 49,668,000
\$ 57,756,000

Coastal Network
 MN1-HH-60020-96-9911
 Operating Transfer In \$ 22,383,000
 MN1-HH-60020-2000
 Services and Supplies 13,626,000
 MN1-HH-60020-96-9912
 Operating Subsidy 35,280,000

Southwest Network
 MN5-HK-60030-96-9911
 Operating Transfer In 7,583,000
 MN5-HK-60030-5500
 Other Charges 86,000
 MN5-HK-60030-96-9912
 Operating Subsidy 40,711,000

Rancho Los Amigos Medical Center
 MN7-HR-60040-96-9911
 Operating Transfer In \$ 9,785,000
 MN7-HR-60040-96-9912
 Operating Subsidy 26,192,000

Valley Care Network
 MN3-HO-60050-2000
 Services and Supplies 15,026,000
 MN3-HO-60050-5500
 Other Charges 1,943,000

BA918 

ATTACHMENT I-B
Page 2 of 3

SOURCES:

USES:

MN3-HQ-60050-96-9910	
Operating Transfers In - Measure B	1,340,000
MN3-HQ-60050-96-9912	
Operating Subsidy	52,702,000
	<u>\$ 71,011,000</u>

DHS Enterprise Fund	
MN2-HS-60070-3078	
Designation for DHS	12,845,000
MN2-HS-60070-3081	
Designation for DHS Rancho	26,192,000

MN2-HS-60070-96-9912
Operating Subsidy

\$	39,038,000
----	------------

\$ 323,451,000

Health Services Administration
A01-HS-20000-92-9426
CHP Medi-Cal \$ 4,866,000

Juvenile Court Health Services	
A01-HJ-20600-1000	
Salaries and Employee Benefits	1,412,000

VLF Realignment
A01-CB-10590-10591-88-8716
State Vehicle License Fee - AB 1288 32,429,000

H/UCLA Refurb Partow Library	
A01-CP-65036-86516-6014	
Fixed Assets - Building & Improv.	19,000

Central HC X-Ray Space	
A01-CP-65036-86571-6014	
Fixed Assets - Building & Improv.	173,000

HHH Hot Water Pipe Replacement	
A01-CP-65036-86637-6014	
Fixed Assets - Building & Improv.	28,000

H/UGLA Psychiatric Improvements	
A01-CP-65036-86851-6014	
Fixed Assets - Building & Improv.	157,000

OU/UCLA Psychiatric Improvements	
A01-CP-65036-86852-6014	
Fixed Assets - Building & Improv.	120,000

H/UCLA Radio/Floure Room Mod	
A01-CP-65036-86864-6014	
Fixed Assets - Building & Improv.	334,000

BA918 *[Signature]* for C

**DEPARTMENT OF HEALTH SERVICES
YEAR-END BUDGET ADJUSTMENT
FISCAL YEAR 2008-09**

ATTACHMENT 1-E
Page 3 of 3

4-VOTE

SOURCES:

USES:

USP797 H/UCLA Rfurb	
A01-CP-65036-86869-6014	
Fixed Assets - Building & Improv.	594,000
USP797 OV/UCLA Rfurb	
A01-CP-65036-86872-6014	
Fixed Assets - Building & Improv.	939,000
USP797 Pharm Upgrade - Multiple Sites	
A01-CP-65036-86873-6014	
Fixed Assets - Building & Improv.	1,658,000
RLA Radio/Flouro Room Mod	
A01-CP-65036-86898-6014	
Fixed Assets - Building & Improv.	65,000
Various Refurbishments	
A01-CP-65036-86937-6014	
Fixed Assets - Building & Improv.	6,977,000
H/UCLA Nurse Call System Replacement	
A01-CP-65036-87009-6014	
Fixed Assets - Building & Improv.	2,530,000
MLK MACC Central Sterile Rfurb	
A01-CP-65036-87012-6014	
Fixed Assets - Building & Improv.	946,000
OV/UCLA Fluoroscopy Room Rfurb	
A01-CP-65036-87013-6014	
Fixed Assets - Building & Improv.	392,000
Approp. For Cont Canc (A/P & Commit)	39,000
A01-3306	
General Fund Subsidy - (LAC+USC)	
A01-AC-21200-21224-6100	
Operating Transfers Out	49,668,000
General Fund Subsidy - (Coastal)	
A01-AC-21200-21226-6100	
Operating Transfers Out	35,280,000
General Fund Subsidy - (Southwest)	
A01-AC-21200-21228-6100	
Operating Transfers Out	40,711,000
General Fund Subsidy - (Rancho)	
A01-AC-21200-21230-6100	
Operating Transfers Out	26,192,000
General Fund Subsidy - (ValleyCare)	
A01-AC-21200-21232-6100	
Operating Transfers Out	\$ 52,702,000
Total General Fund	<u>\$ 224,143,000</u>
Total Department	<u>\$ 547,594,000</u>

\$ 224,143,000
\$ 547,594,000

Noted & Approved:

Mela Guerrero for
Mela Guerrero, Controller
Department of Health Services

BA918 *John Smith for*

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COUNTY OF LOS ANGELES

request for appropriation adjustment

Dept's.
No. 110

department of Health Services

August 20 2009

Auditor-Controller.

the following appropriation adjustment is deemed necessary by this department. will you please report as to accounting and available balances and forward to the Chief Executive Officer for his recommendation or action.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2009
4 - VOTES

SOURCES

See attachment II-B for details

USES

See attachment II-B for details

JUSTIFICATION

This budget adjustment is necessary to reallocate and adjust appropriation and revenue within the Department of Health Services (DHS) specifically related to the Personal Assistance Services Council-Services Employees International Union (PASC-SEIU); In-Home Support Services (IHSS) Health Care Plan, and to recover \$1.393 million of unused funding from the Department of Public Social Services (DPSS).

Mela Guerro
Mela Guerro, DHS Controller's Division

Chief Executive Officer's Report

Referred to the Chief
Executive Officer for ---

action

Approved as Requested

as Revised

Recommendation

auditor-controller

by

approved (as revised):
board of supervisors

20

no.

909

August 18 20 09

by

deputy county clerk

**DEPARTMENT OF HEALTH SERVICES
IHSS HEALTH BENEFITS PROGRAM
FISCAL YEAR 2008-09**

ATTACHMENT II B

4-VOTE

SOURCES:

LAC+USC Healthcare Network

MN4-HG-60010-96-9912

Operating Subsidy \$ 1,151,000

Coastal Network

MN1-HH-60020-96-9912

Operating Subsidy 84,000

Southwest Network

MN5-HK-60030-92-942A

CHP-In-Home Supp Svcs Rev 3,000

Valleycare Network

MN3-HO-60050-96-9912

Operating Subsidy 154,000

Total Enterprise Funds

\$ 1,392,000

ENT SUB-SW CLUSTER

AO1-AC-21200-21228-6100

Operating Transfers Out 3,000

Total General Funds

\$ 3,000

Total Department

\$ 1,395,000

USES:

LAC+USC Healthcare Network

MN4-HG-60010-92-942A

CHP-In-Home Supp Svcs Rev \$ 1,151,000

Coastal Network

MN1-HH-60020-92-942A

CHP-In-Home Supp Svcs Rev 84,000

Southwest Network

MN5-HK-60030-96-9912

Operating Subsidy 3,000

Valleycare Network

MN3-HO-60050-92-942A

CHP-In-Home Supp Svcs Rev 154,000

\$ 1,392,000

Office of Managed Care

AO1-HP-19975-92-942A

CHP-In-Home Supp Svcs Rev \$ 7,000

ENT SUB-LAC+USC HLTHCARE NETWK

AO1-AC-21200-21224-6100

Operating Transfers Out 1,151,000

ENT SUB-COASTAL CLUSTER

AO1-AC-21200-21226-6100

Operating Transfers Out 84,000

ENT SUB-SF VALLEY CLUSTER


AO1-AC-21200-21232-6100

Operating Transfers Out 154,000

\$ 1,396,000

\$ 2,788,000

Noted & Approved:


Mela Guerrero, Controller
Department of Health Services

BA909 coz

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COUNTY OF LOS ANGELES

request for appropriation adjustment

department of Health ServicesDept's.
No.

110

08/20

2009

Auditor-Controller.

the following appropriation adjustment is deemed necessary by this department. will you please report as to accounting and available balances and forward to the Chief Executive Officer for his recommendation or action.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2009
4 - VOTES

SOURCES

See Attachment III-B for details

USES

See Attachment III-B for details

JUSTIFICATION

This budget adjustment is necessary to realign the available funding for the Measure B Special Revenue Fund in accordance with the FY 2008-09 final experience

MG:tf
08/20/2009

Mela Guerrero for
Mela Guerrero - DHS-Controller's Division

Chief Executive Officer's Report

Referred to the Chief
Executive Officer for ---

action

✓

Recommendation

auditor-controller

by

*Cosy*no. 919August 21 20 09

Approved as Requested

as Revised

*Sept. 9 20 09**[Signature]*approved (as revised):
board of supervisors

20

by

deputy county clerk

DEPARTMENT OF HEALTH SERVICES
MEASURE B BUDGET ADJUSTMENT
FISCAL YEAR 2008-09

4-VOTE

SOURCES:

Measure B - Olive View Medical Center
BW9-HS-41010-41013-6100
Operating Transfers Out

\$ 1,340,000

USES:

Measure B - LAC+USC Medical Center
BW9-HS-41010-41014-6100
Operating Transfers Out

\$ 1,252,000

Measure B - Harbor/UCLA Medical Center
BW9-HS-41010-41012-6100
Operating Transfers Out

88,000

Total

\$ 1,340,000

\$ 1,340,000

Noted & Approved:

Dina Fanti for

Mela Guerrero, Contoller
Department of Health Services

8/20/2009

BA919 *cesj*

DEPARTMENT OF HEALTH SERVICES
SUMMARY EXPLANATION OF BUDGETARY VARIANCES
FISCAL YEAR 2008-09
(\$ In Millions)

ATTACHMENT IV

Sources	FY 2008-09	
Deficit from Operations:		
- Current Fiscal Year	\$ 0.8	
- Prior Fiscal Years	4.7	
Subtotal	\$ 5.5	
Extraordinary Expenditure Variances:		
- Hiring Delays / Hiring Freeze	\$ 47.6	(A)
- Commitment Cancellation	17.9	(B)
- Insurance & Indemnity	0.1	(C)
Subtotal	\$ 65.6	
Extraordinary Funding Variances:		
- Vehicle License Fees	\$ (32.4)	(D)
- Sales Tax	(13.6)	(D)
- Coverage Initiative	(31.3)	(E)
- Medi-Cal Redesign	27.0	(F)
- Medicare	21.8	(G)
- Self-Pay Revenue	(5.6)	
- PFSW Revenue	1.4	
- SB 1732	0.6	
Subtotal	\$ (32.1)	
Total Fiscal Year 2008-09	\$ 39.0	
Other:		
- Designation Balance from Prior Fiscal Years	\$ -	
June 30, 2009 Designation Balance	\$ 39.0	

Notes:

- (A) Surplus reflects position vacancies due to difficulties in hiring and hiring freeze.
- (B) Surplus is due to lower than anticipated payments for services rendered in prior fiscal years.
- (C) Surplus reflects lower than anticipated expenditures for Commercial Insurance and Medical Malpractice Administrative Services which is partially offset by the deficit due to unanticipated cases.
- (D) Per final actuals provided by CEO and Auditor-Controller.
- (E) Deficit is due to lower than anticipated utilization of Coverage Initiative program.
- (F) Surplus is due to higher than anticipated revenue that DHS expects to receive under Medi-Cal Redesign for FYs 06-07, 07-08, and 08-09.
- (G) Surplus is primarily due to better than anticipated results from appeal activities and higher than anticipated settlements for various prior years.